Setting up of UTI Bank in Gujarat

7526. SHRI RAJUBHAI A. PARMAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India, Ahmedabad has issued licence for launching of the first major private sector bank, namely the UTI Bank;

(b) whether one of the main considerations for licensing of this bank was the investment climate in Gujarat in general and the Bharuch-Vapi belt in South Gujarat in particular where industrial investment during the past three years has been unprecedented and with Hazira alone accounting for Rupees 10,000 crores;

(c) whether the head office of the UTI banks has not been set up in Ahmedabad or other suitable place in Gujarat, but has been set up in Bombay; and

(d) if so, on what consideration Gujarat has been denied the location advantages with the setting up of a headquarter of a bank in a State?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Reserve Bank of India has issued a licence to UTI Bank Ltd., a private sector bank to commence banking business;

(b) The licence has been issued as UTI Bank Ltd., fulfilled the norms laid down in the guidelines regarding the entry of new private sector banks issued by the Reserve Bank of India on January 22, 1993 and also the conditions stipulated by the Reserve Bank of India.

(c) and (d) UTI Bank Ltd. has been registered under the Companies Act, 1956 in the State of Gujarat and its registered office is located at Ahmedabad. The only branch of the Bank so far is also located at Ahmedabad.

Allotment of Low Priced Shares to Promoters

7527. SHRI SHANKAR DAYAL SINGH:
SHRI P. UPENDRA:
SHRI G. G. SWELL:
SHRIMATI RENUKA CHOWDHURY:
SHRI SARADA MOHANTY:
SHRI ANANTRAY DEVSHANKER DAVE:

Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering or have decided to curb low priced right shares being allotted to promoters under the plea to allow them to continue, their hold on their companies;

(b) if so, the reasons thereof and what are the implications of such a proposition;

(c) whether developed countries permit low priced rights shares to promoters of the companies;

(d) whether it is a fact that litigations are going on in courts against issuance of low priced right shares to promoters;

(e) if so, the details thereof; and

(f) whether Government have responded to it and if so, in what manner?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) to (f) The information is being collected and will be laid on the Table of House.

Policy changes suggested by the US Businessmen for India

7528. SHRI P. UPENDRA; Will the Minister of FINANCE be pleased to state:

(a) whether the prospects of US investment in India have improved substanti-